

# Market Value Analysis (MVA): New Orleans, LA

March, 2013



THE REINVESTMENT FUND  
Capital at the point of impact.

*The Reinvestment Fund builds wealth and opportunity for low-wealth communities and low and moderate income individuals through the promotion of socially and environmentally responsible development.*

We achieve our mission through:

## **Capital**

- Grants, loans and equity investments

## **Knowledge**

- Information and policy analysis; PolicyMap & Policy Solutions

## **Innovation**

- Products, markets and strategic partnerships

The Market Value Analysis (MVA) is a tool designed to assist the private market and government officials to identify and comprehend the various elements of local real estate markets. It is based fundamentally on local administrative data sources.

By using an MVA, public sector officials and private market actors can more precisely craft intervention strategies in weak markets and support sustainable growth in stronger market segments.

# Who is using the MVA?

TRF has done this work under contract to cities, states, foundations and other intermediaries in places including:

- City of Philadelphia, PA
- City of Wilmington, DE
- City of Newark, NJ (and an additional 8 regions across the state)
- District of Columbia
- City of Baltimore, MD
- City of San Antonio, TX
- City of Pittsburgh, PA
- City of Detroit
- Reading, PA and surrounding townships
- City of New Orleans, LA
- Burlington County (NJ) “Riverline Towns” (in process)
- City of Houston, TX (in process)
- City of Milwaukee, WI (in process)
- City of St Louis (in process)

## Our Normative Assumptions when Analyzing Markets:

- Public subsidy is scarce and it alone cannot create a market;
- Public subsidy must be used to leverage, or clear a path, for private investment;
- In distressed markets, invest into strength (e.g., major institution of place, transportation hub, environmental amenities) – **“Build from Strength”**;
- All parts of a city are customers of the services and resources that it has to offer;
  - Government action is tailored to the market conditions;
- Decisions to invest and/or deploy governmental programs must be based on objectively gathered data and sound quantitative and qualitative analysis.

1. Take all of the data layers and geocode to Census block groups.
2. Inspect and validate those data layers.
3. Using a statistical cluster analysis, identify areas that share a common pattern of characteristics.
4. Map the result.
5. Visually inspect areas for conformity with the statistical/spatial representation.
6. Re-solve and re-inspect until we achieve an accurate representation.

# Components of the New Orleans MVA

- TRF aggregated median residential sales prices by Census block group (TRF analysis of Orleans Parish Civil District Court, 2009-2012; Census)
- Coefficient of variance for sales price (2009-2012)
- Subsidized rental stock as a % of all rental units (HANO, 2012)
- Foreclosure filings as a % of housing units (Orleans Parish Sheriff, 2009-2011) – *Foreclosure Rate*
- Owner-occupied as a % of all occupied housing units (Census 2010)
- Dormant residential parcels as a % of residential parcels (Orleans Parish Communications District/911)
- Residential properties with a substandard structure as a % of residential parcels (OPCD)
- Vacant housing units as a % of Habitable Units (2012)\*

Data driven by:

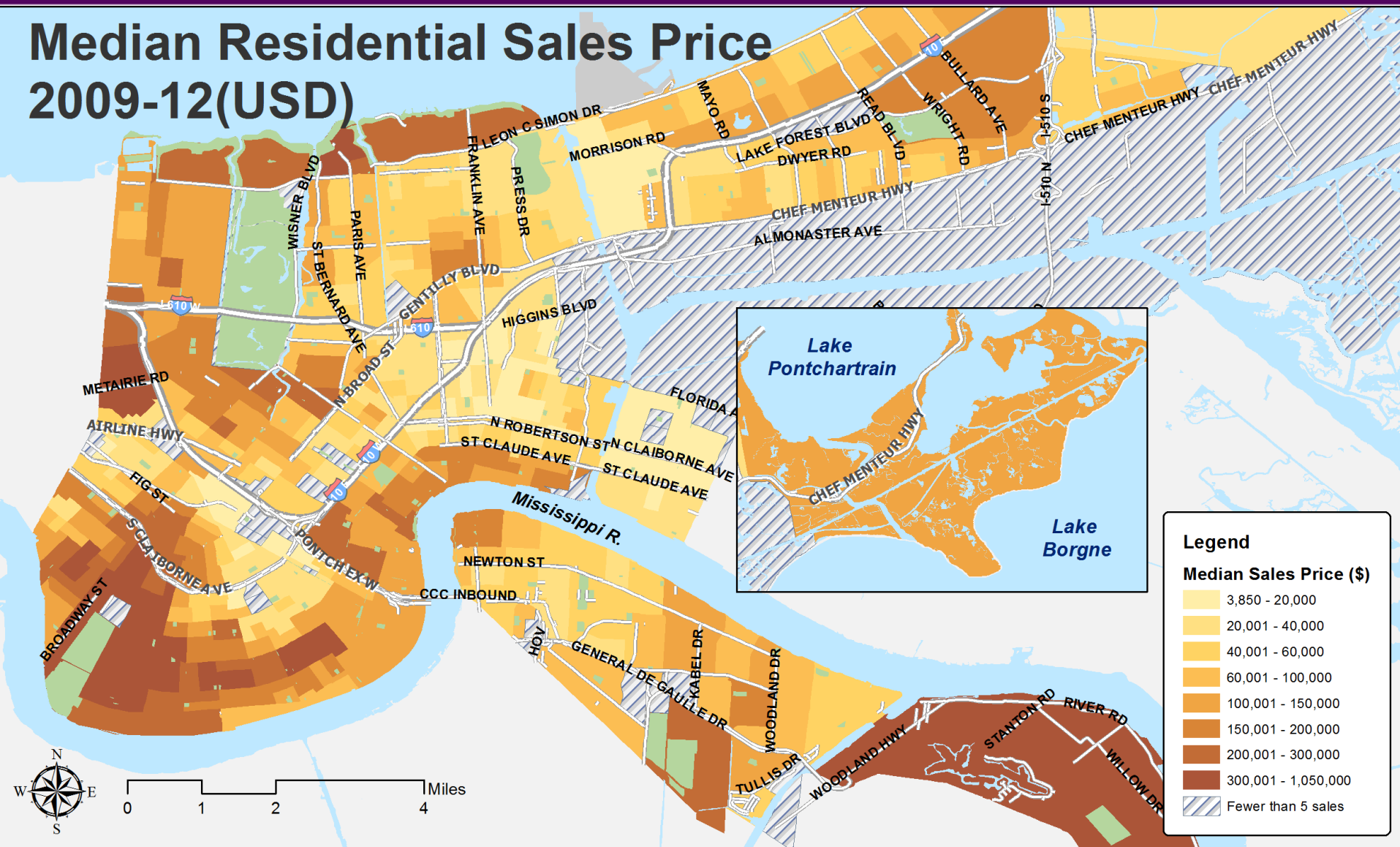
**Valassis**  
*Lists*

\* Data driven by Valassis Lists. From a compilation by the Greater New Orleans Community Data Center <http://www.gnocdc.org> October, 2012.



# Median Residential Sales Price, 2009-2012

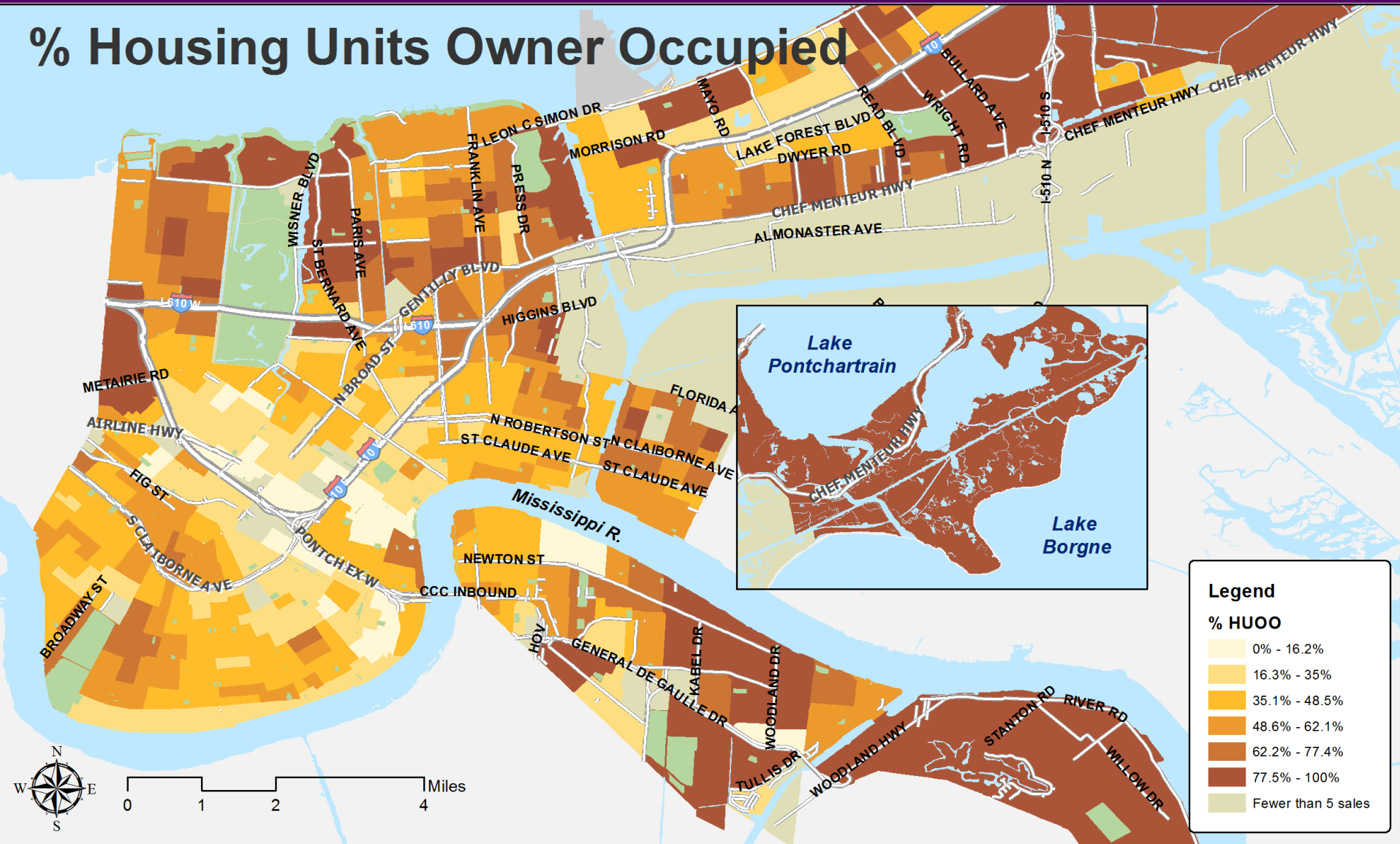
## Median Residential Sales Price 2009-12(USD)



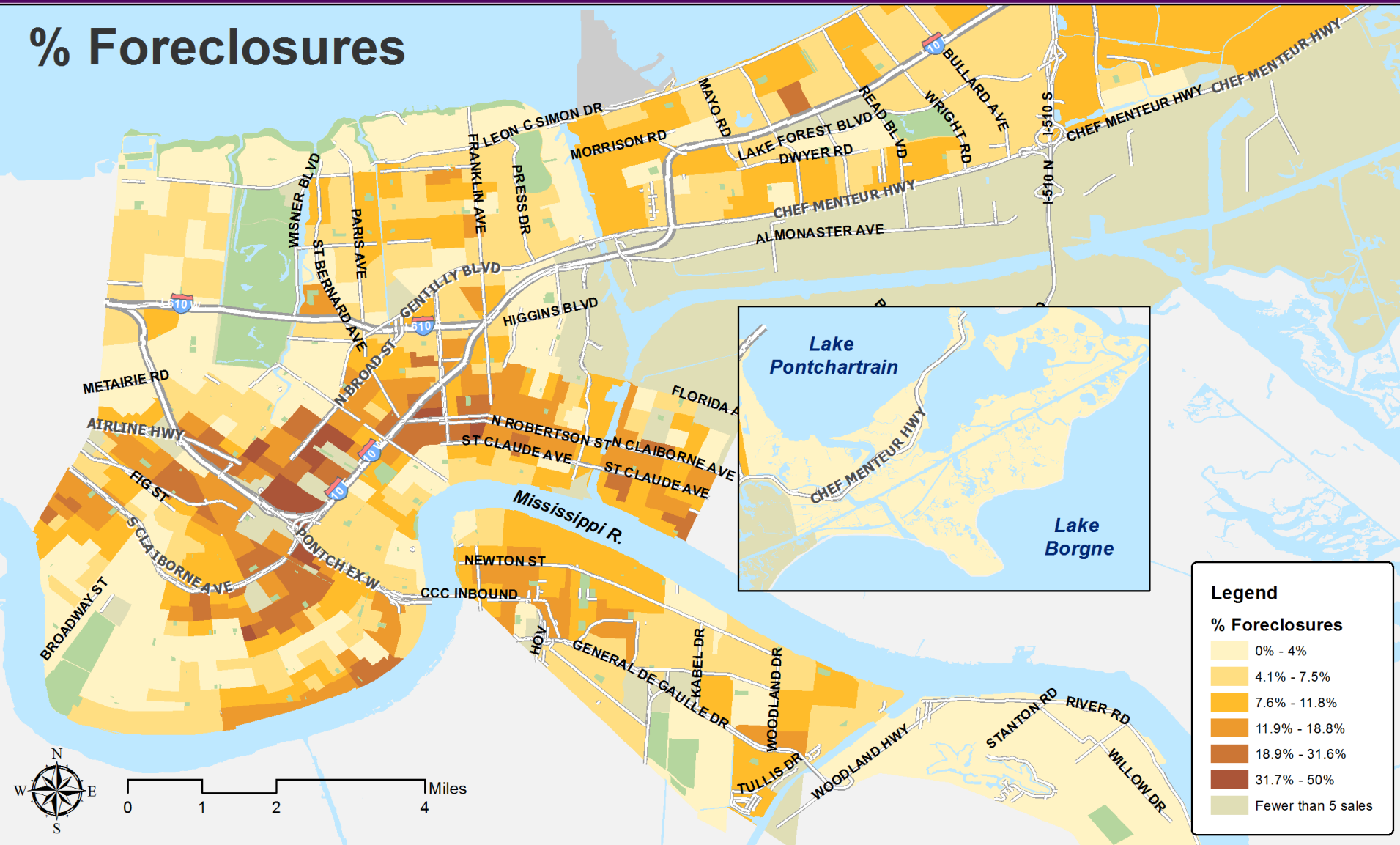


# Percent of Occupied Housing Units Owner Occupied, 2010

## % Housing Units Owner Occupied



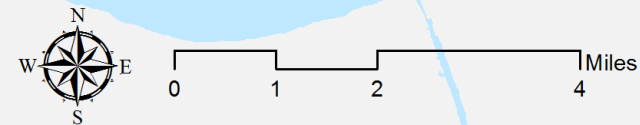
## % Foreclosures



### Legend

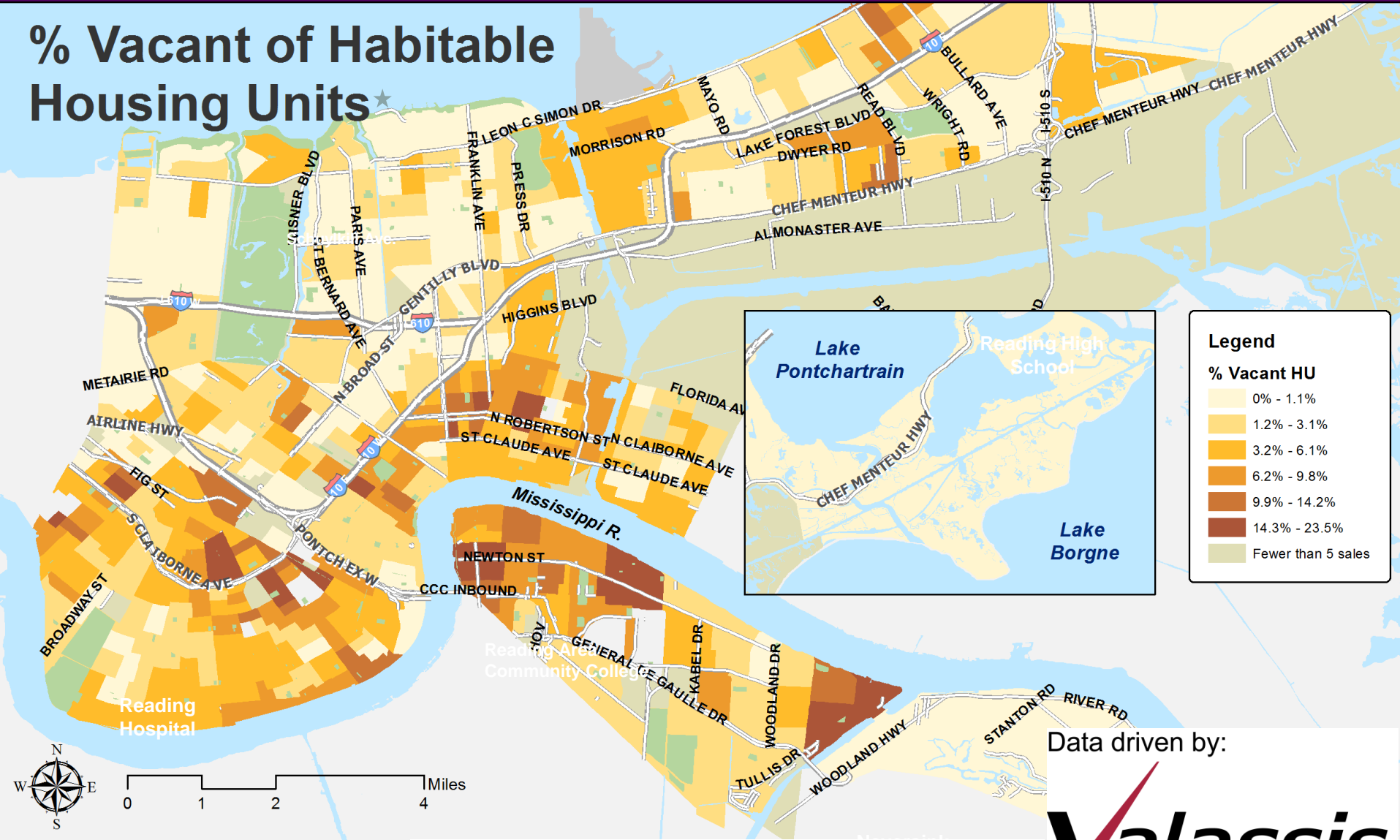
#### % Foreclosures

- 0% - 4%
- 4.1% - 7.5%
- 7.6% - 11.8%
- 11.9% - 18.8%
- 18.9% - 31.6%
- 31.7% - 50%
- Fewer than 5 sales



# Percent of Habitable Units that are Vacant

## % Vacant of Habitable Housing Units★

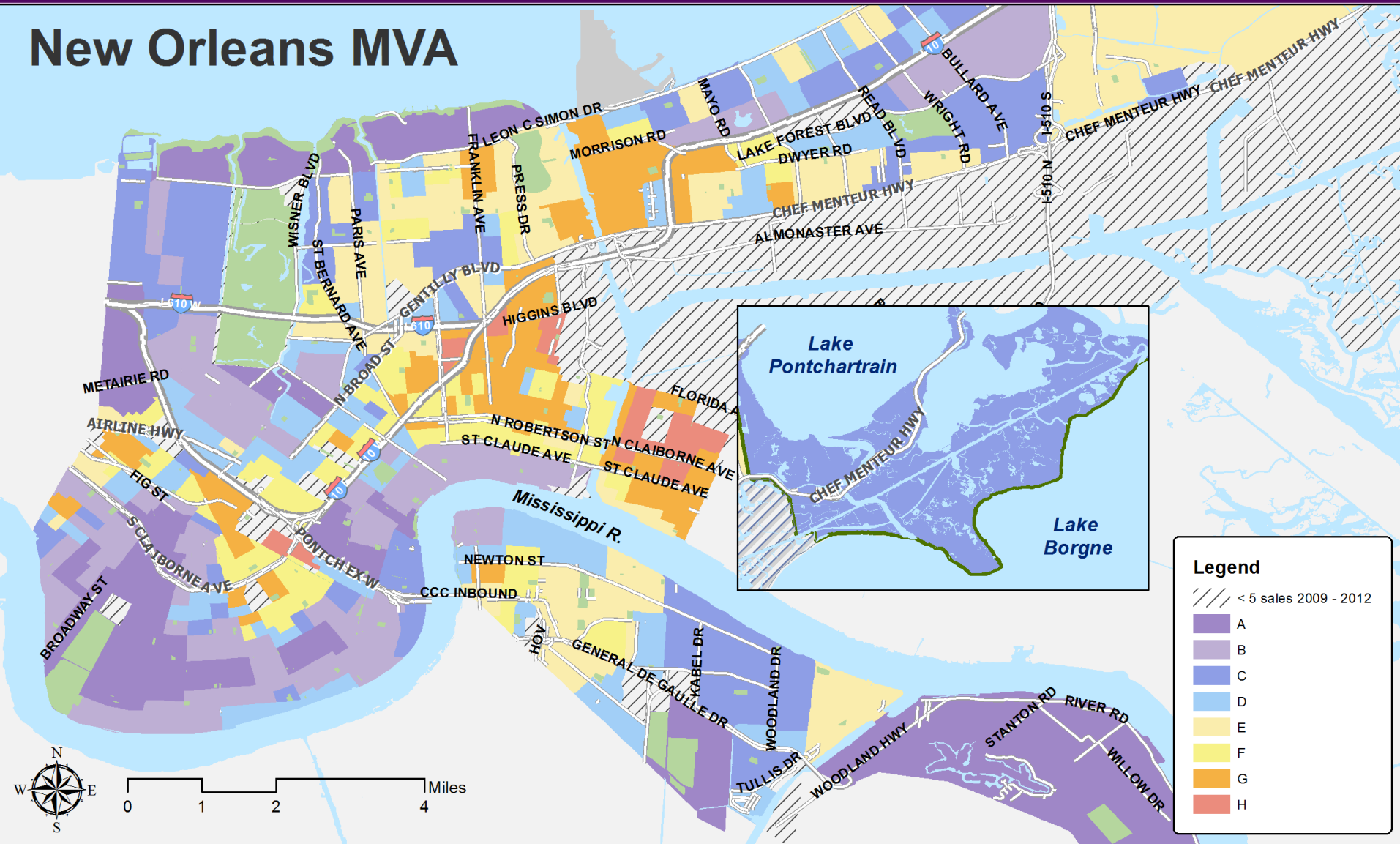


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## New Orleans MVA





# New Orleans MVA Cluster Characteristics

Cluster	Median Residential Sales Price, 2009-2012	Variation in Sales Price, 2009-2012	% of Rental Units with Housing Vouchers	Percent Vacant of Habitable Housing Units	Percent of Owner Occupied Properties with a Foreclosure	Percent Owner Occupied, 2012	Percent of Properties that are Dormant	Percent of Properties with a Substandard Structure	# of Sales
A	\$344,369	0.66	2.6%	2.5%	2.7%	57.3%	2.4%	0.1%	61
B	\$164,318	0.77	9.2%	4.6%	6.3%	39.3%	7.4%	0.8%	55
C	\$112,711	0.76	28.4%	2.7%	6.8%	68.4%	12.8%	0.9%	79
D	\$69,080	0.92	29.5%	4.6%	12.6%	36.1%	14.4%	3.1%	39
E	\$48,434	0.89	54.4%	3.9%	7.7%	67.2%	11.0%	2.1%	43
F	\$39,227	1.00	35.9%	7.0%	18.9%	33.9%	23.2%	8.7%	37
G	\$22,177	1.15	48.4%	5.9%	12.3%	50.8%	26.3%	9.2%	30
H	\$9,524	1.17	100.0%	4.0%	9.8%	62.2%	59.4%	6.6%	18
NA	na	na	na	na	na	na	na	na	na

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# New Orleans MVA Cluster Characteristics

Cluster	Housing Units, 2010	Housing Units, 2000	Percent Change in Housing Units	Share of Housing Stock, 2010	Population, 2010	Population, 2000	Percent Change in Population	Share of Population, 2010	Block Groups
A	22,366	22,101	1%	11.8%	45,315	44,626	2%	13.2%	53
B	42,364	42,453	0%	22.3%	64,080	75,739	-15%	18.7%	89
C	27,625	31,070	-11%	14.6%	55,250	71,045	-22%	16.1%	65
D	28,413	29,736	-4%	15.0%	50,274	69,678	-28%	14.6%	63
E	21,824	24,800	-12%	11.5%	46,252	66,526	-30%	13.5%	62
F	21,716	24,827	-13%	11.5%	35,624	56,303	-37%	10.4%	61
G	16,225	21,476	-24%	8.6%	27,848	52,687	-47%	8.1%	59
H	1,778	4,634	-62%	0.9%	2,730	11,984	-77%	0.8%	14
NA	7,347	11,532	na	3.9%	16,182	35,712	na	4.7%	31

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# Example: *Set Governmental Priorities by Market Cluster*

Sample Activities	A	B	C	D	E	F
Demolition of Dangerous Properties						
Rehabilitation subsidy program						
Small scale / infill development						
Land assembly for redevelopment						
Selective enhancement of vacant lots						
Quality of Life code enforcement ("Broken Window" syndrome)						
Street repair / enhancement						
Streamline project approval processes						

# The Reinvestment Fund Policy Solutions

For questions please contact:  
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